

NCA

VOC FOR IOP/FN

NEWS ANALYSIS NO. 1-0374
CHARLES MEDD

MARCH 17, 1976

REVENUE SHARING AND CONGRESSIONAL POLITICS
ANNCR:

SOME TWO THOUSAND CITY OFFICIALS FROM AROUND THE COUNTRY ARE HERE IN WASHINGTON URGING THE UNITED STATES CONGRESS TO CONTINUE A TAX-DISTRIBUTION PROGRAM KNOWN AS REVENUE SHARING. CHARLES MEDD SAYS THE DEBATE HAS LESS TO DO WITH THE SHARING OF MONEY THAN THE SHARING OF POWER.
VOICE:

THE UNITED STATES GOVERNMENT IS THE BIGGEST TAX COLLECTOR IN THE WORLD, AND IT'S ALSO THE BIGGEST TAX SPENDER. UNDER THE CONSTITUTION, IT'S UP TO CONGRESS TO DECIDE WHERE THE MONEY GOES AND IN WHAT PROPORTIONS. CONTROL OVER THE NATIONAL POCKETBOOK HAS LONG BEEN THE KEY TO CONGRESSIONAL POWER.

FOR YEARS CRITICS HAVE ARGUED THAT THERE IS TOO MUCH POWER HERE IN WASHINGTON, AND IN LATE 1972 A RELUCTANT CONGRESS GAVE SOME OF IT UP BY PASSING A BILL CALLED REVENUE SHARING. THE PLAN CALLED FOR THE MASS DISTRIBUTION OF TAX MONEY TO THE NATION'S THIRTY-NINE THOUSAND STATE AND LOCAL GOVERNMENTS, THE MONEY DIVIDED ON THE BASIS OF POPULATION AND ECONOMIC NEED. IT WAS TO BE USED ON A RANGE OF PROJECTS FROM PUBLIC TRANSPORTATION TO SOCIAL SERVICES. WHAT MADE THE PROGRAM UNIQUE WAS THAT LOCAL OFFICIALS, RATHER THAN CONGRESSMAN OR WASHINGTON BUREAUCRATS, WOULD DECIDE WHERE AND HOW TO SPEND THE MONEY.

WHEN CONGRESS ENACTED REVENUE SHARING, IT AGREED TO GIVE THE EXPERIMENT FOUR YEARS TO PROVE ITSELF, AND THAT PERIOD WILL END NEXT DECEMBER. BY THEN, THE STATE AND LOCAL GOVERNMENTS WILL HAVE SPENT MORE THAN THIRTY THOUSAND MILLION DOLLARS IN FEDERAL TAXES. THE OFFICIALS -- MANY OF THEM HERE IN WASHINGTON THIS WEEK -- SAY THAT REVENUE SHARING HAS ALREADY DEMONSTRATED ITS MERITS AND SHOULD BE CONTINUED.

BUT CONGRESS IS NOT SO SURE. MANY MEMBERS WOULD LIKE TO EXTEND THE PROGRAM BUT ON A YEAR-TO-YEAR BASIS TO AVOID GIVING LOCAL GOVERNMENTS WHAT SOME CALL A "BLANK CHECK." A NUMBER OF DEMOCRATS COMPLAIN THAT TOO MUCH OF THE MONEY HAS BEEN SPENT ON SUCH TRADITIONAL ITEMS AS LAW ENFORCEMENT, FIRE PROTECTION AND STREET REPAIR, AND FAR TOO LITTLE ON HEALTH CARE AND OTHER PROGRAMS AFFECTING THE POOR.

BUT BEFORE CONGRESS DOES MUCH TO CHANGE REVENUE SHARING, IT WILL HAVE TO DO SOME HARD THINKING. ELECTIONS ARE COMING IN NOVEMBER, AND MORE VOTERS ARE EXPRESSING DOUBTS ABOUT LETTING WASHINGTON AND THE BIG GOVERNMENT HERE RUN THE REST OF THE COUNTRY. THE LEGISLATORS MAY WANT TO PROTECT THEIR AUTHORITY OVER MONEY MATTERS, BUT EVEN MORE THEY WILL WANT TO PROTECT THEIR SEATS.

JS/PBM